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REPORT  
OF THE  
LEGISLATIVE COMMISSION ON CHILDREN WITH SPECIAL NEEDS  
1985 - 1986

February 1, 1987



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February 1, 1987

The President of the Senate

The Speaker of the House of Representatives

Gentlemen:

The Commission on Children with Special Needs is pleased to submit its report and recommendations to you and to the members of the General Assembly, 1987 Session.

The Commission was established by Chapter 1422 of the 1973 Session Laws as a permanent legislative commission. The Commission consists of 12 members:

-- three Senators and one physician actively practicing pediatrics in the State appointed by the President of the Senate;

-- three Representatives and one public member appointed by the Speaker of the House; and

-- three parents of children with special needs and one public member appointed by the Governor.

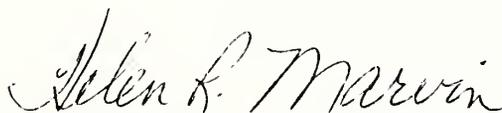
The Commission is responsible for studying the services provided to children with special needs, reviewing legislation and programs relating to these services, and evaluating for comprehensiveness the recommendations of the various agencies, councils, and committees existing in North Carolina whose primary or partial duty is to affect services for children with special needs; and to monitor the program of the State as it attempts to meet the service requirements of these children.

This report complies with the statutory requirement to report to the General Assembly by February 1 of each biennium and it covers the period July 1, 1985 through December 30, 1986.

On behalf of the Commission, we are happy to submit this report to you and our distinguished colleagues.



Representative Edd Nye  
Chairman



Senator Helen R. Marvin  
Vice Chairman



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TABLE OF CONTENTS

	<u>Page</u>
Letter of Transmittal .....	i
Membership of Legislative Commission on Children With Special Needs .....	ii
Staff of Legislative Commission on Children With Special Needs .....	iii
Recommendation to the 1987 General Assembly .....	1
 <u>Appendix E:</u>	
Legislative Proposal 1: A Bill To Be Entitled An Act To Provide Appropriate Textbooks for Handicapped Children	
Legislative Proposal 2: A Bill To Be Entitled An Act To Provide Braille, Large Print, and Audio Cassette Textbooks for Handicapped Children	
Legislative Proposal 3: A Bill To Be Entitled An Act To Provide Operational Funds for the Governor's School	
Legislative Proposal 4: A Bill To Be Entitled An Act To Appropriate Funds for Local Schools' Willie M. Programs	
Legislative Proposal 5: A Bill To Be Entitled An Act To Allow Local Boards of Education To Purchase Buses and Minibuses for the Transporta- tion of Children With Special Needs	
Legislative Proposal 6: A Bill To Be Entitled An Act To Amend the Special Educators Hearings Process	
Legislation Enacted In 1985-86 .....	6
Appendix A	
Legislation Enacted In 1986	
Appendix B .....	7
Major Activities of the Legislative Commission on Children With Special Needs .....	8
Appendices C & D	



## RECOMMENDATIONS TO THE 1987 GENERAL ASSEMBLY

After hearing from the Department of Public Instruction, the State Board of Education - Controller's Office and the Department of Human Resources, the Attorney General Office, and local service providers, parents and other interested persons, the Commission adopted the following recommendations to be forwarded to the 1987 General Assembly for its consideration:\*

### Public Schools

The Commission recommends that the General Assembly:

1. Reenact legislation authorizing local schools to purchase special buses with contract transportation appropriation, so long as this option is more cost-effective than purchasing contractual services. (See Legislative Proposal; Appendix E.)

#### Background:

The General Assembly first authorized this option in 1979. During the six years, 30 local school administrative units have purchased a total of 196 special education buses at a cost of \$3.4 million from contract monies. The State Board of Education estimates annual savings at \$1.6 million.

1. Continue to require the local school administrative units and the State Board of Education to report on the proper utilization of regular Average Daily membership positions earned for exceptional children in self-contained classes.

#### Background:

The 1983 General Assembly (Second Session 1984) first required this report from schools to the State Board of Education and to the Legislative Commission on Children with Special Needs.

On January 15, 1986 the State Board revised its policy to require that positions earned on exceptional children in self-contained classrooms can only be used to provide special instruction to handicapped children, the positions are allotted directly to the Exceptional Children's Program, and the positions will be accounted for on a program basis. Further, the Board authorized the Controller to monitor the use of these positions through the Division of Student Information Management. The latest report from the Controller and schools on 1986-87 positions indicates 100 percent proper utilization. The Commission felt continued monitoring was appropriate.

\*Appendix E contains the legislative proposals implementing the recommendations.



3. Fully fund the Basic Education Program in the 1987-89 biennium; and further that the State Board of Education's funding formula eliminate separate, internal categorical caps for funding purposes. The overall average daily membership cap of 12.5 percent for handicapped funds and 3.9 percent for gifted funds shall remain a part of the formula and be maximum State funding levels for each local school unit.
4. Support and enact the following proposed legislation:
  - A. A Bill To Be Entitled An Act to Provide Appropriate Textbooks for Handicapped Children
  - B. A Bill To Be Entitled An Act To Provide Braille, Large Print, and Audio Cassette Textbooks for Handicapped Children
  - C. A Bill To Be Entitled An Act To Provide Operational Funds for the Governor's School
  - D. A Bill To Be Entitled An Act To Appropriate Funds for Local Schools' Willie M. Programs
  - E. A Bill To Be Entitled An Act To Allow Local Boards of Education To Purchase Buses and Minibuses for the Transportation of Children With Special Needs
  - F. A Bill To Be Entitled An Act To Amend the Special Education Hearings Process

Addressing its concern to administrative issues under the State Board of Education, the Commission makes the following recommendation to the State Board of Education:

5. After a review of allotment and spending practices for federal funds, the State Board of Education should adopt a policy to insure full utilization of federal funds on a timely basis and to facilitate more equal spending of State and federal dollars by local school administrative units on behalf of special needs children.

#### Background

1983 legislation had addressed this issue.

The Commission received a report on utilization of federal funds indicating (1) small amounts had reverted to the federal government -- \$31,576 in 1984-85 and \$97,147 in 1985-86; and (2) expenditure rates ranged from 55 percent of the Education of the Handicapped V1B Incentive grant funds in 1985-86 to 86 percent of the Education of the Handicapped - V1B grant funds in 1985-86. As a result, 45



percent and 14 percent of each grant remained unused for the benefit of handicapped children that year and were carried forward.

In view of the continuing calls for more State funds to support services for the handicapped, the Commission was of the opinion that federal funds ought to be spent appropriately and on a timely basis, and that the State Board of Education should review current spending practices and adopt a policy to govern same.

6. Through a reordering of spending priorities, the Board should consider expanding the State Board of Education-Controller's Office headcount audits of exceptional children reported and served by school administrative units.

Background:

1983 legislation transferred two federally-funded positions from the Department of Public Instruction to the Controller's Office for this purpose. A total of 130 school units have been audited during three years, 1983-84 - 1985-86. This appears to be inadequate audit coverage, averaging every four years, in view of an error rate ranging from 20 to 49 percent of the records audited.

Paybacks from the audits total approximately \$1.0 million, thus supporting additional audits.

Human Resources

Addressing its concern that the State continue its progress in serving children ages 0-5 years who are developmentally disabled, the Commission recommends that the Governor and the Department of Human Resources:

Recommendation #1.

Take appropriate measures to assure that all service gaps are addressed. The recommended service gaps that are asked to be addressed include:

- o To eliminate waiting lists at Development Evaluation Centers and to allow DEC's to evaluate children who are candidates for expanded preschool programs, each of the 19 DEC's should hire additional appropriate support staff.

Cost estimate: \$1.5 million a year.

- o To fund home-based early intervention services for children 0-3 in the counties of our state that are still unserved.



Cost estimate: \$2.6 million a year.

- o To establish services for mentally retarded, developmentally and otherwise delayed 3- and 4-year olds in counties with no services at all.

No cost estimate for this item was available.

Background:

North Carolina has made progress over the past 10 years to improve the level of services available to children 0-5 who are developmentally disabled. Service gaps continue in the areas of early intervention, evaluation, community based intervention and center-based intervention services. These conditions have different characteristics, different effects on the children and involve different approaches or types of service to provide the most effective corrective action.

The Commission recommends that the 1987 General Assembly:

Recommendation #2:

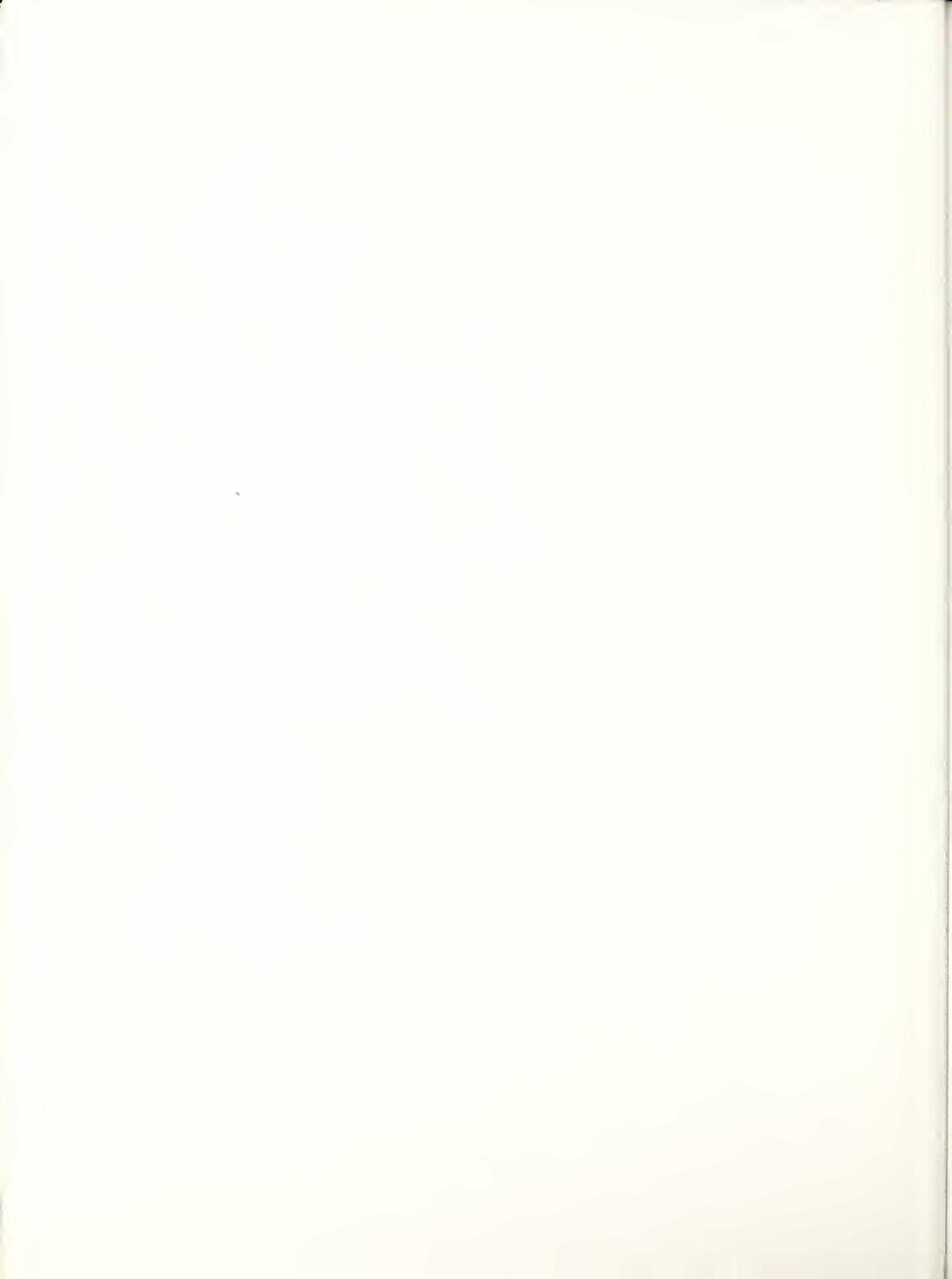
Increase the State support for children served in Developmental Day Care Centers and Community Residential Centers to at least 66 percent of average costs established by the Department of Human Resources, Division of Mental Health, Mental Retardation and Substance Abuse Services for current services.

Background:

The CRC costs per child average \$1,889 per month with an average State subsidy of \$1,348 per month, or 47 percent. The DDC costs per child average \$729 per month compared to a State subsidy averaging \$343 per month, or 48 percent.

Cost Estimate: \$2.5 million a year.

The Commission heard testimony from private providers that State support has not kept pace with costs of serving these children in recent years.



## Other Commission Recommendations

The Commission also recommends that the 1987 General Assembly:

Study the feasibility of limiting liability of volunteers who serve on boards of directors for non-profit corporations; and

Provide state support for parent-to-parent programs - \$150,000 each year of the 1987-89 biennium - to the Division of Community Pediatrics, University of North Carolina School of Medicine, Chapel Hill, to strengthen and expand existing programs.

### Background

The Commission received a report on two demonstration projects initially funded through the Division of Community Pediatrics, UNC School of Medicine by the North Carolina Council on Developmental Disabilities in 1985-86.

The basic concept of these programs recognizes that experienced parents of premature infants, children with chronic illness, or with developmental disabilities are one of the state's best resources. The parents can provide information, coping skills, and emotional support to other parents who are newly identified or are experiencing transition crises. It is cost-effective to support this resource and facilitate its wider utilization.

The Division of Community Pediatrics provides materials, methods, and technical assistance to the two demonstration programs, and will be developing a computer bank of existing parent support programs and services, and a 800 telephone number for professionals and parents to gain access to such information during 1986-87. The funds requested would provide part-time support at \$20,000 each to six programs, plus a coordinating and support office and provide a clearing house of information for the programs.

During 1985-86, programs were developed in Fayetteville (serving six counties), and Burlington (serving Alamance County). A total of 70 parents have received 12 hours training and over 200 hours of contact have been given by these volunteer parents since May of 1986 when referrals were begun. The programs are economical since local agencies (DEC in Fayetteville and Developmental Day Care in Burlington) have given office space, telephone coverage,



and clerical assistance. Program participants, including parents, trainers, and advisory board members, are all volunteers. Program costs cover a part-time coordinator, long distance phone calls, printing, mailing and program materials.

During 1986-87, the Division of Community Pediatrics has again been funded by the Council to promote the development of similar programs across the state. The Council has recognized this as an important missing link of services to those families that are experiencing inordinate stress.

THE LEGISLATIVE COMMISSION ON CHILDREN WITH SPECIAL NEEDS:  
1985-86 ACTION

At its first fall 1985 meeting, the Commission reviewed statewide legislation affecting children with special needs enacted in the 1985 session. Copies of the legislation enacted in 1985 appear as Appendix A and 1986 legislation in Appendix B. (There were a number of local bills mainly for appropriations. They are excluded).

The 1985 enactments include:

Public Schools

1. Administer staffing ratios in special day school programs serving only handicapped pupils.
2. Accounting for regular Average Daily Membership positions based on Children with Special Needs served in self-contained classes.
3. Purchase of special buses with transportation funds.
4. Limitation on free bus transportation of Children with Special Needs.
5. Basic Education program funds for the handicapped.
6. Textbooks for handicapped pupils.



7. Willie M. costs per student and most cost effective methods of educating: reports to be conducted by the Department of Public Education.
8. Statutes allowing tuition charges for students over 18 years old repealed.
9. Special Hearing Process modified.
10. Disciplinary suspensions clarified.
11. Out-of-district placement cost allocations clarified.

#### HUMAN RESOURCES

12. General requirements for Willie M. program's unit cost reimbursement and reporting.
13. Study of the unserved needs of developmentally disabled persons.
14. Supplemental funds for the cost of 239 additional grant-in-aid slots for the mentally retarded children in developmental day care centers.

The legislation enacted in 1986 covered these topics:

#### Public Schools

1. Study on textbooks for the visually impaired
2. Books for the handicapped (set-aside funds for purchase)
3. Delay change in the law regarding the cost allocation of out-of-district placements among local school units
4. Pre-school screening/evaluation pilot programs - \$287,000

#### Human Resources

5. Funds for group homes serving emotionally disturbed children - \$212,851
6. Funds to the North Carolina Society for Autistic Adults and Children were appropriated - \$60,000



## MAJOR ACTIVITIES

At its first meeting on October 14, 1985, the Commission identified items for consideration in 1985-86:

1. Study the services provided by other states for children with special needs.
2. Funding formula's internal caps.
3. Consent decree for Willie M Program; how other states serve Willie M. children.
4. Services and cost of educating a gifted child versus services and cost of educating a handicapped child.
5. Early childhood intervention.
  - a. Programs for 3 and 4 year olds.
  - b. Programs for children under age 3.
6. Development day care center -- allotments; costs; needs.
7. Timelines for identifying and placing children.
8. Shortage of textbooks for exceptional children; Braille textbooks.
9. Equipping Governor's Schools.
10. Funding for 18, 19 and 20 year olds.
11. Programs for exceptional children: program quality, effectiveness and expenditures.

The major activities of the Commission in the period between July 1, 1985 - December 31, 1986 are discussed below.

### Utilization of regular teaching positions earned by exceptional children in self-contained classes.

The 1983 General Assembly (Second Session 1984) directed reports on the use of these positions by local school units to the State Board of Education. The concerns were that local schools were not required to use these positions directly to serve exceptional children at the same time that more services and funds are needed to serve children appropriately.

The first report to the Commission in Fall 1984 covered an allotment of teachers only - 461.5, excluding teacher aides. The first report reflected mixed results due to inconsistent interpretations of terms used in the reports filed by the local school administrative units.



In the Fall 1985 report local school systems reported on both teachers and teacher aides positions. Underutilization was reported for teachers (129.5 positions) and for teacher aides (25.5 positions).

In Fall 1986, the third report, reflected 100 percent appropriate utilization of teachers (496) and teacher aides (155).

State Board of Education policy now requires that positions be used directly to serve exceptional children and the Controller's Office accounts for them on a program basis.

#### Willie M. Program - Legal framework

Legal staff of the General Assembly reviewed the legal underpinnings of the program for the Commission. Administrative staff in the Department of Human Resources briefly reviewed current program operations, types of services and the question of decertification of Willie M. children. The Commission was informed that the consent order does not allow for decertification. Pupils must age out of the program.

#### Gifted Education

The Department of Public Instruction presented a detailed overview of the program operated by the Department and available in all local school units except one.

The State provides funds for a maximum of 3.9 percent of the total average daily membership, yet schools may serve more gifted pupils. The Commission received data showing the percentages of gifted pupils served; they ranged from zero to 11.87 percent. Thirty-nine of 141 systems serve less than 3.9 percent. (Appendix C).

The Department reported that North Carolina public schools ranks fifth highest in the nation in the total percentage of gifted, 5.5 percent.

Regarding minimum program standards of the State Board of Education for the gifted, the Department reported current regulations setting out statewide identification criteria (Appendix D).



Relative to program quality, the Board requires monitoring to determine compliance with appropriate State and federal laws. Local education agencies are monitored on a five-year cycle by the State Department of Public Instruction program staff.

Quality assurance reviews are not required at this time. A summative evaluation model, Program Quality Evaluation-Gifted, has been field tested in three school systems (1984-85) and four education agencies are implementing the model in 1985-86.

Program Quality Evaluation-Gifted gathers data from student records and surveys completed by regular program teachers, gifted program teachers, parents, gifted students and other educational personnel. Three goals are addressed through a series of cross-referenced questions on the various surveys:

- o A systematic process of screening, evaluation and annual review/reevaluation is used that maximizes identification opportunities for all students, K-12.
- o The scope and sequence of the gifted program provide appropriate differentiation at each grade level that goes beyond the regular curriculum (the regular curriculum being that course of study intended for the majority of students in the school system at that grade).
- o The school system has demonstrated its commitment to gifted education by providing for program growth and development.

In reports submitted by the 1984-85 field test sites, the most frequent needs for improvement in the three school systems were (1) scope and sequence development across grades and between grade levels and (2) staff development in gifted education for regular class teachers. In each instance the school administration and the local board of education viewed the evaluation model and management plans as important in long range planning efforts.

The Commission learned that the most important needs in North Carolina's academically gifted program are those to improve program quality through:

- o the development of a consistent and sequential K-12 program within each school system; and
- o staff development activities specific to the nature and needs of gifted students for regular class teachers.



The development of a consistent and sequential K-12 program requires an examination of the existing program. A 1984 statewide survey conducted through the Division for Exceptional Children showed that in some school systems, AG students are provided a program in social studies at one grade, mathematics at another and language arts at another--sequential skill development is not probable nor does this series of offerings allow for the particular strengths and needs of the identified students who must fit the available program rather than the program being tailored to the student. School systems are also finding that the program content may vary between schools especially in the elementary grades where an enrichment model tends to be the prevalent method of service delivery.

School systems are also finding that better use of resources -- both human and material -- will improve the dimensions of the gifted program, especially through the involvement of regular class teachers. Because of limited funds, many school systems are using teachers of the gifted in elementary resource programs and relying on regular class teachers in advanced content areas to provide services to gifted students in the secondary grades (grades 7-12). An examination of the existing program has led to expanding the scope of AG services, using major content areas such as math and science classes in addition to English classes. The need for staff development specific to gifted education is sometimes overlooked.

#### Department of Corrections Services

The Commission was presented with a review of exceptional students programs and those for Willie M. students in the North Carolina Department of Correction. The exceptional students program has operated in the North Carolina Department of Correction since 1979. The Department reported that there are 140 students in the program. The number of Willie M. students is 13, and numbered 18 at the time of the annual census.



## Early Childhood Services - Department of Human Resources

There are 19 developmental evaluation centers across the state, providing access to multi-disciplinary evaluation, intervention planning, and short-term treatment services to children with developmental disabilities. Thirteen of the centers are state operated; six are supported on a contract basis. These 19 centers are funded on a budget of approximately \$9 million. About 15 percent of this budget is federal money.

The Development Evaluation Center Program served more than 28,000 children in FY 84. Approximately 70% of these were less than 5 years of age, which is an indicator of the program's success in serving the youngest child possible.

The Commission received reports on early childhood intervention programs, specifically the kinds of children served and the kinds of services received. Relative to developmental day centers, the Commission received a report on the results of a statewide survey of parents whose children were enrolled in developmental day care programs. Seventy-two of 81 programs participated in the study, and surveys were received from 806 parents (60%). Parents reported that developmental day programs had helped their children and themselves. Developmental day also had an impact in keeping children in the least restrict living arrangement. Very high overall satisfaction with the program was reported.

The Department of Public Instruction, Division for Exceptional Children, presented an update on early childhood education programs for the handicapped.

From an overview of programs, admissions, eligibility, access, allotments, costs and needs in developmental day care services, the Department stated that the Early Intervention Program's two basic goals are: (1) to allow children with known or suspected handicaps to reach their greatest potential, and (2) to increase the parent's abilities in bringing up these children.

In the public schools, local boards of education may contract with developmental day centers to provide special education and related services to mentally handicapped children ages 5 through 18. At the present time, there are 91 developmental day centers. Forty-six of these centers have contracts with the public schools for services. The State Board of Education also contracts with seven community residential centers to provide special education and related services to severely, profoundly handicapped, orthopedically impaired, visually impaired, deaf-blind, and multi-handicapped children ages 5 through 20.



The Commission was concerned that there exist gaps in services to the handicapped during the early childhood years (0-6 years).

Developmental Day Care cost in local communities that have such service averaged about \$8,748 per child for a 12 month period in 1985-86. The average cost of serving children through the Community Residential Services Program in 1985-86 was approximately \$35,000 for a 12 month period.

Costs of DDC services in the public schools averaged \$4,319.41 per child for 10 months in 1985-86 and \$4,575 in 1986-87. Costs of Community Residential Centers serving school-aged children averaged \$5,042 for 10-months in 1985-86 and \$6,320 in 1986-87.

#### State Board of Education Funding Formula Caps

The following formula was developed by the State Board of Education staff and proposed to the Advisory Budget Commission. It was approved and began with the 1980-81 school year. the formula, serves as the basis for calculating and allocating State funds based on maximum percentages of exceptional children in average daily membership in each local school unit as follows:

##### Formula Caps

1. Mentally Handicapped	3%
2. Specific Learning Disability	3.9%
3. Seriously Emotionally Handicapped	2.5%
4. Speech/Language Impaired	4.55%
5. Other Handicapped	2.2%
	<u>16.25%</u>
Overall Handicapped	12.5%

The Division of Exceptional Children, DPI, recommended a formula change be considered by the June Session of the legislature as follows:

- o Drop all internal caps, i.e. mentally handicapped, 3 percent; specific learning disabled, 3.9 percent; seriously emotionally handicapped, 2.6 percent; speech/language impaired, 4.55 percent; other handicapped, 2.2 percent.



- o Keep 12.5 percent maximum statewide, while allowing individual LEAs to exceed 12.5 percent and be audited, so long as the State total does not exceed the maximum. Cost \$174.88 million or \$20.35 million more than current funding, if the \$1,318 per pupil amount remains unchanged.

#### Due process hearings

The Commission heard from the North Carolina Attorney General's Office regarding the recent U.S. Supreme Court decisions and recent legislation by Congress may require amendments to the N.C. General Statutes. The two areas where legislative action may need to be taken are:

1. Payment for the cost of private education when the parents, not the school, place a child in a private facility. North Carolina has a statute which embodies the old rule - that parents can not receive reimbursement under such circumstances. Action may be taken by the General Assembly to amend this statute to conform to federal law.
2. Parents could not receive reimbursement for attorneys fees in cases challenging the appropriateness of an education program. This law has recently been changed at the federal level. It now states that parents who challenge and win the appropriateness of the educational program offered his handicapped child is entitled to have their attorneys fees paid by the school system and/or of the State.

No action was taken.

#### Recommendations to the 1986 Short Session

The Commission, through its chairman and vice chairman, transmitted by letter to the President of the Senate and the Speaker of the House of Representatives, the following items approved by the Commission for consideration by the appropriate committees of the General Assembly in its June 1986 short session:

1. Early Childhood Pilot Program for Services to Handicapped Children ages Three and Four Years. Three pilots in each of the eight education regions is proposed. The request is for: \$1,000,000



- |    |   |                      |
|----|---|----------------------|
| 2. | Additional funds for modified Textbook Materials - Braille, Large Print and Audio-Cassette Textbooks  | \$ 350,000           |
| 3. | Textbook Allotments for Handicapped Children. This request would require the State Board of Education to allot a prorata share of textbook funds for handicapped children, and authorize the Department to recall unused materials and redistribute them to others needing them. No additional funds requested.   | -                    |
| 4. | Governor's Schools: Additional Operating Funds in the amount of:  | \$ 127,500           |
| 5. | Local School Funds for <u>Willie M.</u> Program. Support for <u>SB 402</u> introduced in the 1985 Session. Amount:  | \$1,956,654          |
| 6. | Amend the State Funding Formula for Exceptional Children. Eliminate the separate internal categorical funding caps; retain the overall maximum for funding purposes of 12.5 percent of the average daily membership in a local school administrative unit. To prevent funding losses, an additional \$10 to \$14.5 million will be required to maintain approximately the same per pupil support. | \$10-14.5<br>million |
|    | TOTAL REQUEST   | \$13.4 to \$17.4     |

Other matters considered without action:

1. A concern that insufficient funds were available for routine otological examinations (funds for) had been referred to the Commission by a representative. The legislator had received complaints from constituents. The Commission discussed this matter and was assured that this matter had been clarified with the proper individuals in the local school system. Further, the Commission was assured that the local schools are provided funds for all examinations required by the State, although it may not fund elective examinations or exams in addition to those



required.

2. Vocational educational for handicapped pupils below grade 7. This matter was referred to the Commission by N.C. State Advisory Council on Vocational Education.
3. Student Information Management System (SIMS) in the Department of Public Education. A status report on the SIMS development was received.
4. Status report and assessment of progress since 1983 General Assembly made recommendations on the following:
  - a. Exceptional Children Accounting System;
  - b. New auditing system in Controller's Office;
  - c. Federal funds carry-forward indicating under-utilization
5. Commission recommendations to set-aside textbook funds for handicapped pupils. The Division for Exceptional Children reported that it is working with the Joint Commission on Governmental Operations to see that this provision is carried out.
6. Review of the 1986 amendments to the federal law on education of the handicapped.



Appendix A



GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 1985  
RATIFIED BILL

CHAPTER 412  
SENATE BILL 391

AN ACT TO IMPROVE THE SPECIAL EDUCATION HEARING PROCESS.  
The General Assembly of North Carolina enacts:

Section 1. G.S. 115C-116(b) is amended by deleting the last four sentences, beginning with the phrase "This hearing shall contain information".

Sec. 2. G.S. 115C-116 is amended by designating subsection (b1) as (b2) and by adding a new subsection (b1) to read:

"(b1) Hearings. If a hearing is requested by either a local education agency or parent or guardian, an impartial hearing officer approved by the State Board of Education shall be selected to hear the case. The State Department of Public Instruction, whose rules are established by the State Board of Education, shall provide a list of approved hearing officers to the parent and the local board. Both the parent and the local board shall have the privilege of striking an equal number of names from the list. After these strike-off privileges have been exercised the State Department of Public Instruction shall name the hearing officer from the remaining names. The hearing officer shall have no personal or professional interest that may interfere with his or her objectivity in a hearing. The State Board of Education shall establish procedures for training and monitoring of hearing officers and requirements that assure that hearing officers are knowledgeable concerning pertinent federal and State laws and regulations as well as the Administrative Procedure Act. The parent or guardian of a child of the local education agency may, upon written request, not more than 30 days from the date the hearing decision is received, appeal the decision to the State Superintendent of Public Instruction, who shall make an impartial and independent decision in the case. In the local hearing and the State review, technical rules of evidence shall not apply. The decision of the State Superintendent of Public Instruction may be appealed to the General Court of Justice within 30 days after notice of the decision. The hearing, the agency review and the judicial review shall be conducted in accordance with Articles 3 and 4 of Chapter 150A of the General Statutes unless this section or pertinent federal law or regulation specifies otherwise."



Sec. 2. This act shall become effective October 1, 1985.

In the General Assembly read three times and ratified, this the 17th day of June, 1985.

ROBERT B. JORDAN III  

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Robert B. Jordan III  
President of the Senate

LISTON B. RAMSEY  

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Liston B. Ramsey  
Speaker of the House of Representatives



GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 1985  
RATIFIED BILL

CHAPTER 464  
HOUSE BILL 336

AN ACT TO CLARIFY THE LAW REGARDING DISCIPLINARY SUSPENSIONS OF  
EXCEPTIONAL CHILDREN.

The General Assembly of North Carolina enacts:

Section 1. G.S. 115C-112(a) is amended in the first  
sentence by deleting the word "consecutive".

Sec. 2. This act is effective upon ratification.

In the General Assembly read three times and ratified,  
this the 25th day of June, 1985.

ROBERT B. JORDAN III

Robert B. Jordan III  
President of the Senate

LISTON B. RAMSEY

Liston B. Ramsey  
Speaker of the House of Representatives



GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 1985  
RATIFIED BILL

CHAPTER 465  
HOUSE BILL 337

AN ACT TO CLARIFY THE LAW REGARDING THE COST ALLOCATION IN  
EXCEPTIONAL CHILDREN'S OUT-OF-DISTRICT PLACEMENT.

The General Assembly of North Carolina enacts:

Section 1. G.S. 115C-115(3) is amended in the first sentence by deleting the phrase ", out-of-state school or a school in another local educational agency" and by substituting the phrase "or an out-of-state school"; and is further amended by inserting new sentences between the third and fourth to read:

"If the placement of the child in a school in another local educational agency is determined by the local superintendents to be the most cost effective way to provide an appropriate education to that child and the child is not currently being educated by the Department of Human Resources or the Department of Correction, the two local educational agencies shall enter into an agreement concerning the payment for services. The State is not obligated to provide any additional funds in this case."

Sec. 2. This act shall become effective July 1, 1986.

In the General Assembly read three times and ratified,  
this the 25th day of June, 1985.

ROBERT B. JORDAN III

Robert B. Jordan III  
President of the Senate

LISTON B. RAMSEY

Liston B. Ramsey  
Speaker of the House of Representatives



available and appropriate, and duplication of commercially available materials may not occur.

Funds appropriated in the sum of nine hundred forty-six thousand five hundred dollars (\$946,500) in Section 2 of this act for each year of the fiscal biennium for development of the competency-based testing programs may be used to create new personnel positions only if that is the most efficient way to acquire appropriate achievement-type tests. The funds appropriated may be used for external contractual services without the addition of new positions.

All assessments shall be fully tested in the field prior to being used to make individual student decisions. In the case of end-of-course tests, the State Board of Education may not impose passing scores. Information from these tests may be used, in part, by teachers and local officials in arriving at student grades and in making administrative recommendations.

-----COMPETENCY PROGRAMS BUDGETED LIKE PILOT PROGRAMS

Sec. 21. The Competency Development K-12 and the Competency Testing/Measurement programs of the State Board of Education are subject to the provisions of Section 12 of this act.

-----COMMUNITY SCHOOLS FUNDS

Sec. 22. Funds appropriated in Section 2 of this act to the Department of Public Education for the Community Schools Program shall be used only for the Community Schools Program and may not be used for any other program or purpose.

-----STAFF ALLOCATIONS TO SPECIAL DAY SCHOOL PROGRAMS

Sec. 23. The State Board of Education shall develop staffing ratios for administrators of special day school programs that serve only the handicapped. The State Board shall report its current and proposed staffing ratios and the cost of implementing them to the chairmen of the Appropriations Expansion Budget Committees in the Senate and the House of Representatives and to the Fiscal Research Division by May 1, 1986.

-----ACCOUNTING FOR ADM POSITIONS SERVING EXCEPTIONAL CHILDREN

Sec. 24. It is the intent of the General Assembly that funds appropriated in the budget line item, "State aid -- exceptional children," and the allocations of regular positions to local school administrative units for children with special needs shall be used to benefit directly the children with special needs.

For the 1985-86 school year, the State Board of Education shall notify the superintendent of each school administrative unit of the number of regular positions allotted to the unit based on the number of children with special needs in self-contained classes computed in the average daily membership of the unit. The superintendent shall account for the proper utilization of these positions and shall report to the State Board of Education, which will then report its findings on the utilization of these positions to the Legislative Commission on Children with Special Needs and the Fiscal Research Division by November 1, 1985.

-----PURCHASE OF BUSES IN LIEU OF CONTRACT TRANSPORTATION

Sec. 25. Funds appropriated to the Department of Public Education for the 1985-87 biennium for contract transportation to



serve exceptional children who are unable because of their handicap to ride the regular school buses may be used by local boards of education for the purchase of buses and minibuses as well as for the purposes authorized in this act. These funds shall be expended in accordance with rules and regulations adopted by the State Board of Education.

✓ -----LIMIT FREE BUS TRANSPORTATION OF CHILDREN WITH SPECIAL NEEDS TO HANDICAPPED CHILDREN

Sec. 26. (a) G.S. 115C-108 is amended in the third sentence by inserting immediately after the word "transportation" the phrase "for handicapped children with special needs who are unable because of their handicap to ride the regular school buses".

(b) G.S. 115C-250(a) is amended in the first and second paragraphs by deleting the phrase "transportation of children with special needs" and by substituting the phrase "transportation of handicapped children with special needs who are unable because of their handicap to ride the regular school buses and"; and is further amended in the third paragraph by deleting the phrase "transportation of the child" and by substituting the phrase "transportation of the child, if handicapped and unable because of the handicap to ride the regular school buses,".

-----VOCATIONAL EDUCATION STUDY

Sec. 27. (a) The Joint Legislative Commission on Governmental Operations shall study the relationship of vocational education and skills training offered in public schools, community college system institutions, and proprietary institutions, as well as public and private colleges and universities and training under the Job Training Partnership Act.

The study shall:

(1) Examine the General Statutes applicable to vocational and technical education and determine whether the statutes are being implemented;

(2) Review current studies of vocational and technical education needs and practices to identify key findings that are relevant to North Carolina; and

(3) Determine the current status of vocational and technical education in North Carolina. The status review shall examine:

- a. What is offered;
- b. Where it is offered;
- c. What equipment and facilities are used;
- d. By whom it is taught and to whom it is taught;
- e. What happens to the graduates;
- f. What it costs and who pays for it;
- g. Whether there is unnecessary duplication; and
- h. Whether it is in compliance with federal funding requirements.

(4) Review the status of vocational and technical teacher training in North Carolina. This review shall include examining:

- a. Where vocational and technical instructors are trained;
- b. By whom they are trained; and



(5) Counselors.--Funds in the amount of thirteen million seven hundred fifteen thousand two hundred fifty-six dollars (\$13,715,256) for the 1985-86 fiscal year and thirteen million seven hundred twenty thousand five hundred ninety-six dollars (\$13,720,596) for the 1986-87 fiscal year are appropriated to the Department of Public Education in Section 2 of this act for dropout prevention in high schools, middle schools, and junior high schools. These funds shall be distributed to the local school administrative units with a minimum funding level equivalent to the cost of one full-time counselor position to each local unit for the 10-month school term; the remainder shall be allotted on average daily membership. Within funds available, these funds shall be used to provide an in-school suspension teacher to high schools, middle schools, and junior high schools; remaining funds shall be used to provide high schools, middle schools, and junior high schools with a teacher or counselor to identify students likely to drop out and to provide special alternative instructional programs for these high risk students. These funds may not be used to supplant dropout prevention programs funded from other State or federal sources other than the Job Training Partnership Act.

(6) Instructional Support.--Of funds appropriated in Section 2 of this act to the Department of Public Education, the sum of five million one hundred thirty-eight thousand eight hundred dollars (\$5,138,800) for fiscal year 1986-87 shall be allocated by the State Board of Education to local school administrative units on the basis of average daily membership for instructional support personnel.

(7) Assistant Principals.--Funds are appropriated to the Department of Public Education in Section 2 of this act to provide positions for 171 additional assistant principals for fiscal year 1985-86 and to continue 168 of those additional assistant principals for fiscal year 1986-87. Within funds available, the State Board of Education shall allot positions on a formula based on the number of full-time State-allotted teachers assigned to individual schools: one assistant principal for 25 to 49 teachers; two positions for 50 to 74 teachers; three positions for 75 to 99 teachers; and four for 100 or more teachers.

✓ Sec. 55. (8) Handicapped.--Of the funds appropriated to the Department of Public Education in Section 2 of this act, the sum of three hundred twenty-nine thousand two hundred forty-three dollars (\$329,243) for fiscal year 1985-86 and eight hundred forty-seven thousand one hundred eleven dollars (\$847,111) for fiscal year 1986-87 in expansion funds shall be used to serve additional handicapped pupils, as determined by the State Board of Education in the following areas:

	<u>1985-86</u>	<u>1986-87</u>
Exceptional Children	\$ 89,148	\$ 112,404
Developmental Day Care	0	17,432
Willie M.	206,000	478,610
Community Residential Centers	<u>34,095</u>	<u>238,665</u>
	\$ 329,243	\$ 847,111

(9) Prior Year Funding as an Option.--Of the funds appropriated in Section 2 of this act to the Department of Public



(1) Finance officers	\$ 100,000	\$ 100,000
(2) Computer training for certified personnel	1,000,000	1,000,000
(3) Certified personnel	2,000,000	2,000,000
(4) Center for the Advancement of Teaching at Western Carolina University (teacher travel, subsistence and substitute pay)	-0-	2,245,000

✓ Sec. 55. (13) Textbooks.--a. Of the funds appropriated to the Department of Public Education in Section 2 of this act, the elementary textbook funds shall be used to provide for the State Board of Education's scheduled textbook adoptions in grades 1 through 8 in the 1985-86 fiscal year.

In the 1986-87 fiscal year, the State Board of Education shall allocate textbook funds equitably to local school administrative units on the basis of twenty dollars (\$20.00) per pupil in average daily membership in grades 1 through 12.

b. The State Board of Education is urged to include basic textbook selections for handicapped children for each subject in each grade for handicapped children in the regular textbook adoption procedures.

In addition, local boards of education, notwithstanding existing laws and rules, may purchase textbooks in an amount not to exceed the amount of textbook funds generated by the handicapped children served by the administrative unit.

c. Funds appropriated to the Department of Public Education for the purchase of textbooks shall be permanent appropriations. Unobligated portions of these appropriations may revert to the General Fund at the direction of the Director of the Budget if he considers it necessary in order to maintain a balanced budget within any one fiscal year.

(14) Equipment.--a. Of the funds appropriated to the Department of Public Education in Section 2 of this act, the sum of two million five hundred seventy-three thousand eight hundred sixty dollars (\$2,573,860) for the 1985-86 fiscal year and two million five hundred forty-four thousand one hundred ninety-five dollars (\$2,544,195) for the fiscal year 1986-87 are allocated for vocational education equipment. These funds shall be allocated on an equitable basis of five dollars (\$5.00) per pupil in average daily membership in grades 7 through 12.

b. Of the funds appropriated to the Department of Public Education in Section 2 of this act, the sum of five million two hundred thirty-seven thousand four hundred sixty-four dollars (\$5,237,464) for the 1985-86 fiscal year and the sum of five million one hundred ninety-seven thousand six hundred sixty-eight dollars (\$5,197,668) for the 1986-87 fiscal year are allocated for science and mathematics materials and equipment for kindergarten through grade 12. These funds shall be allocated on an equitable basis per pupil statewide in average daily membership to the extent funds are sufficient to do so, as follows: mathematics and science in kindergarten through grade 6, two dollars (\$2.00); mathematics, grades 7 through 12, two dollars and fifty cents (\$2.50); science, grades 7 through 8, four dollars and fifty cents (\$4.50); and science in grades 9 through 12, six dollars (\$6.00).



University in accordance with plans developed by the Northeastern North Carolina Tomorrow Program.

PART IX. -----HUMAN RESOURCES

-----WILLIE M.

Sec. 85. (a) Legislative Findings. The General Assembly finds:

- (1) That there is a need in North Carolina to provide appropriate treatment and education programs to children under the age of 18 who suffer from emotional, mental, or neurological handicaps accompanied by violent or assaultive behavior;
- (2) That children meeting these criteria have been identified as a class in the case of Willie M., et. al. vs. Hunt, et. al.; and
- (3) That these children have a need for a variety of services, in addition to those normally provided, that may include but are not limited to residential treatment services, educational services, and independent living arrangements.

(b) Funds for Department of Human Resources. It is the intent of the General Assembly that funds appropriated in Section 2 of this act, to the Department of Human Resources for serving members of the Willie M. Class be expended only for programs serving members of the Willie M. Class identified in Willie M., et. al. vs. Hunt, et. al., including evaluations of potential class members. It is recognized that therapeutic or economic reasons may, at times, require certain of these services to serve a mixed clientele of Willie M. class members and other clients. To the maximum extent possible, however, these funds shall be expended solely for the benefit of Willie M. class members. The Department shall reallocate these funds among services to Willie M. class members during the year as it deems advisable in order to use the funds efficiently in providing appropriate services to Willie M. class children.

(c) Funds for Department of Public Education. Funds appropriated to the Department of Public Education in Section 2 of this act for members of the Willie M. Class, are to establish a supplemental reserve fund to serve only members of the class identified in Willie M., et. al. vs. Hunt, et. al. These funds shall be allocated by the State Board of Education to the local education agencies to serve those class members who were not included in the regular average daily membership and the census of children with special needs, and to provide the additional program costs which exceed the per pupil allocation from the State Public School Fund and other State and federal funds for children with special needs.

(d) The Department of Human Resources shall implement its prospective unit cost reimbursement system in fiscal year 1985-86 as specified in the Amended Willie M. Unit Cost Reimbursement Plan - May 1985. The Department shall ensure that unit cost rates reflect reasonable costs by conducting cost center service type rate comparisons and cost center line item budget reviews as may be necessary. The Department may not implement the plan in subsequent fiscal years until the operation of the plan in the full fiscal year 1984-85 and the first six



months of 1985-86 has been evaluated and reviewed by the General Assembly.

The Department shall submit a report to the General Assembly on May 1, 1986, on the operation of the unit cost reimbursement system for the full 1984-85 fiscal year and the first six months of the 1985-86 fiscal year.

(e) Reporting Requirements. The Department of Human Resources and the Department of Public Education shall submit, by May 1, 1986, a joint report to the Governor and the General Assembly on the progress achieved in serving members of the Willie M. Class. The report shall include the following unduplicated data for each county: (i) the number of children nominated for the Willie M. Class; (ii) the number of children actually identified as members of the class in each county; (iii) the number of children served as members of the Class in each county; (iv) the number of children who remain unserved; (v) the types and locations of treatment and education services provided to class members; (vi) the cost of services, by type, to members of the class; (vii) information on the impact of treatment and education services on members of the class.

(f) The Departments of Human Resources and Public Education shall provide periodic reports of expenditures on behalf of the Willie M. Class to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division.

(g) In fulfilling the responsibilities vested in it by the Constitution of North Carolina, the General Assembly finds:

- (1) That the responsible State agencies have made a bona fide good faith effort to comply fully with the requirements of the Court Orders in the case of Willie M., et. al. vs. Hunt, et. al., and that services and placements for Willie M. class members are very greatly improved.
- (2) That the General Assembly has evaluated the known needs of the State and has endeavored to satisfy those needs in comparison to their social and economic priorities.
- (3) That the funds appropriated will enable the development and implementation of placement and services for the class members in Willie M., et. al. vs. Hunt, et. al., within a reasonable period of time considered within the context of the needs of the class members, the other needs of the State and the resources available to the State.
- (4) That additional expenditures of funds for these purposes at this time would result in an accelerated expenditure of and an unreasonable waste of State funds inasmuch as such expenditures could not reasonably be expected to actually secure a higher degree of treatment or education for the class members than can be accomplished with the funds appropriated.

(h) The General Assembly supports the efforts of the responsible officials and agencies of the State to meet the requirements of the court order in Willie M., et. al. vs. Hunt, et. al. However, in view of the fundings in subsection (g)



above, the General Assembly expressly directs that no State funds shall be expended on the placement and services of class members in Willie M., et. al., or for any other thing or purpose arising out of this litigation, now or at any time in the biennium, except for those funds appropriated in Section 2 of this act to the Departments of Human Resources and Public Education for programs serving members of the Willie M. Class identified in Willie M., et. al. vs. Hunt, et. al., and except for such funds as may be elsewhere appropriated by the General Assembly specifically for such purposes.

(i) Notwithstanding any other provision of law, if the Department of Human Resources determines that a local program is not providing appropriate services to members of the class identified in Willie M., et. al. vs. Hunt, et. al., the Department may ensure the provision of these services through contracts with public or private agencies or by direct operation by the Department of such programs.

----MEDICAID

Sec. 86. (a) Appropriations in Section 2 of this act for services provided in accordance with Title XIX of the Social Security Act (Medicaid) are for both the categorically needy and the medically needy. Funds appropriated for these services shall be expended in accordance with the following schedule of services and payment bases. All services and payments are subject to the language at the end of this subsection.

Services and payment bases

- (1) Hospital-Inpatient - Payment for hospital inpatient services will be based on a prospective rate reimbursement plan as established by the Department of Human Resources. Administrative days for any period of hospitalization shall be limited to a maximum of three days.
- (2) Hospital - Outpatient - Eighty percent (80%) of allowable costs or a prospective reimbursement plan as established by the Department of Human Resources.
- (3) Mental and Speciality Hospitals, Skilled Nursing Facilities, and Intermediate Care Facilities - Mental or Specialty Hospitals - Allowable costs or prospective reimbursement if approved by the Director of the Budget. Skilled Nursing Facilities and Intermediate Care Facilities, as prescribed under the State Plan for Reimbursing Long-Term Care Facilities. Skilled nursing facility participation in the Medicare program is a condition of participation in the North Carolina Medicaid skilled nursing facility program.
- (4) Intermediate Care Facilities for the Mentally Retarded - As prescribed under the State Plan for reimbursing intermediate care facilities for the mentally retarded.
- (5) Drugs - Drug cost as allowed by federal regulations plus three dollars and fifty cents (\$3.50) professional services fee per month excluding refills for the same drug or generic equivalent



Sec. 90. There is appropriated from the General Fund to Mission Air, Incorporated, the sum of fifty thousand dollars (\$50,000) for fiscal year 1985-86 for operating costs for emergency transportation of the sick and injured; emergency transportation of organs, blood, and medicine; assistance and transportation in times of disaster; and other air ambulance services.

HARNETT HOSPICE PROGRAM FUNDS

Sec. 91. There is appropriated from the General Fund to Harnett County the sum of twenty-five thousand dollars (\$25,000) for fiscal year 1985-86 for start-up costs for the Harnett County Hospice Program.

COMMUNITY BASED ALTERNATIVES FUNDS

Sec. 92. There is appropriated from the General Fund to the Department of Human Resources, Division of Youth Services, the sum of one million dollars (\$1,000,000) for fiscal year 1985-86, and the sum of one million dollars (\$1,000,000) for fiscal year 1986-87, for the Community Based Alternatives Programs. These Program funds shall be distributed to the 100 counties to further support community programs for troubled youth, with emphasis on programs dealing with chronic status offenders, alternatives to secure detention, and diverting youth from training schools to community programs.

VITAL ORGAN PROCUREMENT FUNDS

Sec. 93. There is appropriated from the General Fund to the Carolina Organ Procurement Agency, Incorporated, the sum of one hundred fifty thousand dollars (\$150,000) for fiscal year 1985-86 for operating expenses of the Agency in its work of establishing a statewide organ and tissue procurement agency, until it begins receiving funds to cover its expenses from the Health Care Financing Agency.

ACCEPT OPERATING FUNDS

Sec. 94. There is appropriated from the General Fund to the Advocacy Center for Children's Education and Parent Training (ACCEPT) the sum of twelve thousand dollars (\$12,000) for fiscal year 1985-86 for operating expenses of the Center.

NEW BERN CHILD CENTER FUNDS

Sec. 95. There is appropriated from the General Fund to the Neuse Center for Mental Health, Mental Retardation, and Substance Abuse Services the sum of two hundred thousand dollars (\$200,000) for fiscal year 1985-86 to construct a new facility for its child development center.

t.l.c. HOME FUNDS

Sec. 96. There is appropriated from the General Fund to t.l.c. Home, Incorporated, in Lee County the sum of two hundred thousand dollars (\$200,000) for fiscal year 1986-87 to complete the construction of the Home.

DEVELOPMENTAL DISABILITIES STUDY FUNDS

Sec. 97. There is appropriated from the General Fund to the Department of Human Resources, Division of Mental Health, Mental Retardation, and Substance Abuse Services, the sum of one hundred twenty thousand dollars (\$120,000) for fiscal year 1985-86 to study the unserved needs of developmentally disabled persons.

LEE-HARNETT MENTAL HEALTH AUTHORITY FUNDS



GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 1985  
RATIFIED BILL

CHAPTER 780  
SENATE BILL 291

AN ACT TO REPEAL STATUTES ALLOWING LOCAL BOARDS OF EDUCATION TO  
CHARGE TUITION FOR STUDENTS OVER 18 YEARS OLD. .

The General Assembly of North Carolina enacts:

Section 1. . G.S. 115C-1 is amended by rewriting the  
second sentence thereof to read: "Tuition shall be free of charge  
to all children of the State, and to every person of the State  
less than 21 years old, who has not completed a standard high  
school course of study."

Sec. 2. . G.S. 115C-366.1(a)(4) is amended by deleting the  
figure "19" and substituting in lieu thereof the figure "21". .

Sec. 3. . G.S. 115C-109, G.S. 115C-124, and G.S. 115C-128  
are amended by deleting the phrase "from 5 through 18" and  
substituting in lieu thereof the phrase "from age 5 through age  
20". .

Sec. 4. . G.S. 115C-109 is further amended by deleting  
therefrom the second sentence. .

Sec. 5. . This act is effective upon ratification. . This  
act shall be administered from funds appropriated to the  
Department of Public Instruction for fiscal years 1985-86 and  
1986-87 and shall not necessitate additional appropriations for  
those years. .

In the General Assembly read three times and ratified,  
this the 17th day of July, 1985. .

ROBERT B. JORDAN III

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Robert B. Jordan III  
President of the Senate

LISTON B. RAMSEY

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Liston B. Ramsey  
Speaker of the House of Representatives



addition to funds already appropriated for that purpose, to increase grants available under the American Indian Student Legislative Grant Program.

-----COMMUNITY BASED SERVICES FOR THE MENTALLY ILL

Sec. 16. There is appropriated from the General Fund to the Department of Human Resources, Division of Mental Health, Mental Retardation, and Substance Abuse Services, the sum of one million two hundred fifty thousand dollars (\$1,250,000) for fiscal year 1985-86, and the sum of one million two hundred fifty thousand dollars (\$1,250,000) for fiscal year 1986-87 to be allocated to the area mental health, mental retardation, and substance abuse authorities to provide specific community based support services to adults with chronic mental illness. These funds shall be allocated by the Division to the area authorities as follows:

(1) Seventy-five percent (75%) of the appropriated funds to area authorities on a per capita basis;

(2) Twenty-five percent (25%) of the appropriated funds to area authorities on the basis of local need.

-----AREA ABUSED CHILDREN HOME FUNDS

Sec. 16.1. There is appropriated from the General Fund to the Area Abused Children Home in Union County the sum of twenty thousand dollars (\$20,000) for the 1985-86 fiscal year for furnishings and related equipment for the home.

-----SUBSTANCE ABUSE FUNDS

Sec. 17. Of the funds appropriated to the Department of Human Resources, Division of Mental Health, Mental Retardation, and Substance Abuse Services, in Section 2 of Chapter 479 of the 1985 Session Laws, the sum of one million two hundred thousand dollars (\$1,200,000) for fiscal year 1985-86, and the sum of one million two hundred thousand dollars (\$1,200,000) for fiscal year 1986-87, shall be allocated as follows:

(1) The sum of one hundred thirty thousand dollars (\$130,000) for fiscal year 1985-86, and the sum of two hundred thousand dollars (\$200,000) for fiscal year 1986-87, shall be used for planning and training in the area of substance abuse treatment for adolescents, including an assessment of the feasibility of fee-for-service contracting with private providers for residential treatment; and

(2) The sum of one million seventy thousand dollars (\$1,070,000) for fiscal year 1985-86, and the sum of one million dollars (\$1,000,000) for fiscal year 1986-87, shall be allocated to the Department of Human Resources regions on a per capita basis. The allocation of funds by each region to the area mental health, mental retardation, and substance abuse authorities within the region shall be determined by the Division through its regional management teams, to be used for special direct service projects for early identification and treatment of substance-abusing adolescents.

✓ -----DEVELOPMENTAL DAY CENTER FUNDS

Sec. 17.1. There is appropriated from the General Fund to the Department of Human Resources the sum of nine hundred forty-six thousand four hundred forty dollars (\$946,440) for fiscal year 1985-86 and the sum of nine hundred forty-six thousand four hundred forty dollars (\$946,440) for fiscal year



1986-87 to provide supplemental funds sufficient to fund the cost of providing 239 additional grant-in-aid slots for mentally retarded children in developmental day care centers.

-----WILLIE M. COSTS PER STUDENT

Sec. 18. The Department of Public Education shall report to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division 30 days prior to the convening of the 1986 Regular Session of the 1985 General Assembly on the cost of educating a Willie M. child in the public schools over the past three years. This report shall include the cost of educating a Willie M. child and the source of these funds.

-----EDUCATING WILLIE M. STUDENTS/STUDY

Sec. 18.1. The State Board of Education is directed to determine the most cost effective methods of educating Willie M. students and to report its findings to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division by March 1, 1986.

-----PRESCRIPTION DRUG FUNDS FOR DISABLED

Sec. 19. (a) Of the funds appropriated in Section 2 of Chapter 479 of the 1985 Session Laws to the Department of Human Resources, Division of Medical Assistance, the sum of five hundred thousand dollars (\$500,000) shall be transferred to the Division of Health Services for the purpose of continuing the prescription drug reimbursement program for the disabled to provide assistance in purchasing prescription drugs to people terminated from the Social Security Disability program from March 1, 1981, through September 30, 1983, begun pursuant to Section 64(1), Chapter 1034, 1983 Session Laws, Regular Session 1984. The prescription drug program shall serve only current residents of North Carolina. The rules for operating this prescription drug assistance program shall be adopted by the Secretary of the Department of Human Resources pursuant to recommendations of the Disability Task Force as authorized by Section 64(3), Chapter 1034, 1983 Session Laws, Regular Session 1984.

(b) The Secretary of the Department of Human Resources shall report on a quarterly basis to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the expenditure of funds required by this section.

-----HOME HEALTH CARE FUNDS

Sec. 19.1. There is appropriated from the General Fund to the Department of Human Resources the sum of three hundred seventy-five thousand dollars (\$375,000) for fiscal year 1985-86 to provide home health care to the indigent.

-----TRANSPORTATION COSTS STUDY FOR THE ADULT DEVELOPMENTAL ACTIVITIES PROGRAM

Sec. 20. The Department of Human Resources shall study the issue of transportation costs for the Adult Developmental Activities Program (ADAP). The study shall include the actual costs associated with the transporting of ADAP clients, the miles that an ADAP client has to be transported, and the feasibility of a separate transportation subsidy for the ADAP program. The Department shall report the results of the study, including any recommendations, to the Joint Legislative Commission on



Appendix B



Chapter 1014, House Bill 2055 Favorable action in 1986  
Expansion Budget Committee, and the House Appropriations Base  
Budget Committee and to the Fiscal Research Division.

----STUDY ON TEXTBOOKS FOR VISUALLY IMPAIRED

Sec. 72. The State Board of Education shall study the most cost-effective way to provide textbooks to students who are visually impaired. The State Board of Education shall report the results of its study and its recommendations, by March 1, 1987, to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division.

----BOOKS FOR HANDICAPPED STUDENTS

Sec. 73. Of the funds appropriated to the Department of Public Education in Section 2 of this act, the sum of three hundred thousand dollars (\$300,000) shall be used to purchase modified textbooks (braille, large-print, audio cassettes) for handicapped children. The Department of Public Instruction shall have the authority to recall the modified textbooks when the textbooks are no longer in use by handicapped children in the local school systems for redistribution. The Department of Public Instruction shall report on how these funds were spent, by March 1, 1987, to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division.

----STATEWIDE TESTING PROGRAM/TESTING COMMISSION

Sec. 74. (a) Articles 11 and 12 of Chapter 115C of the General Statutes are repealed and replaced by a new Article to read:

"Article 11A.

"Testing.

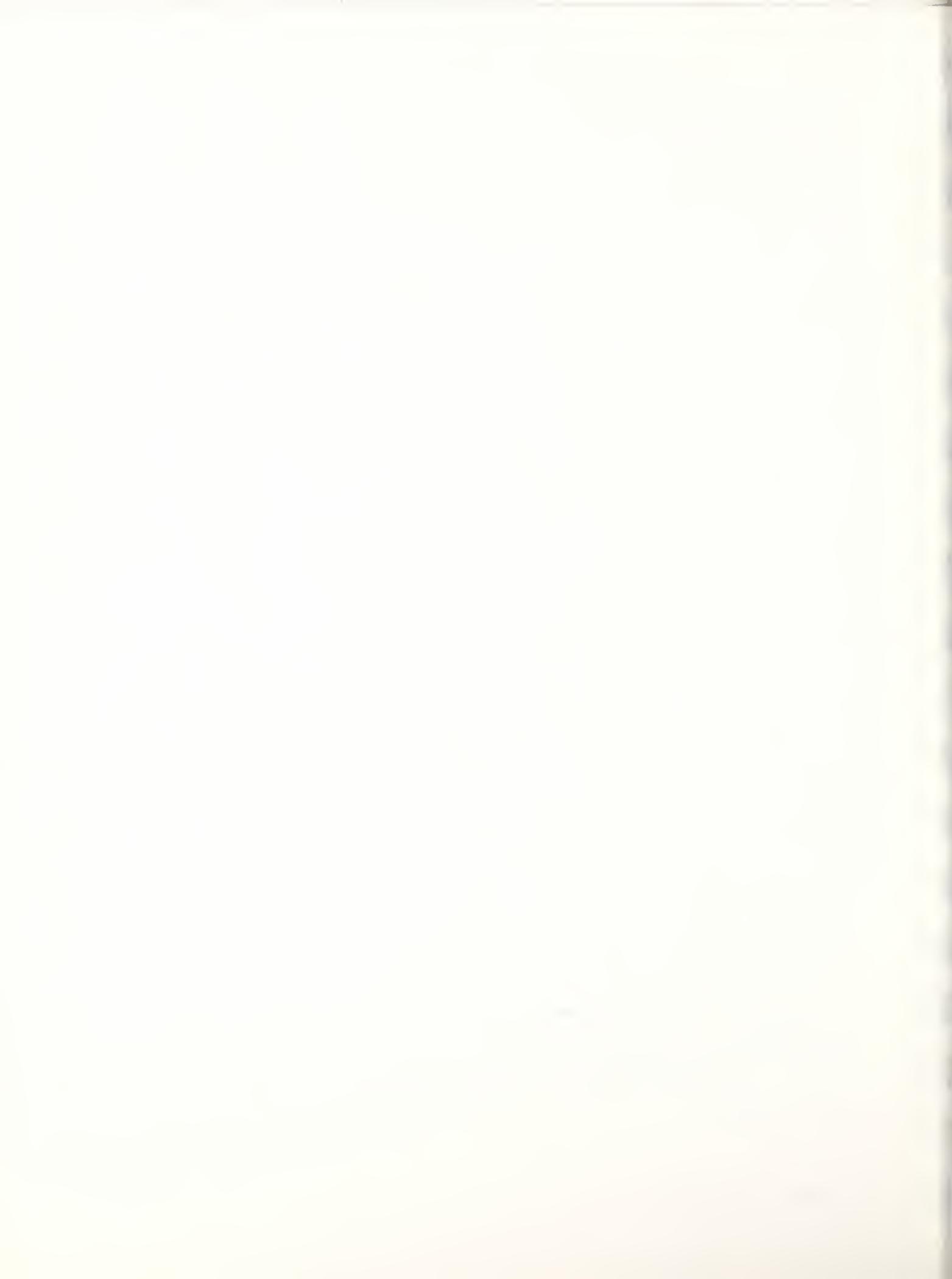
"Part 1. Commission on Testing.

"§ 115C-174.1. Commission established; purpose.--There is established a Commission on Testing for the purpose of advising the State Board of Education on all matters pertaining to tests and testing from kindergarten through the 12th grades. This Commission shall assume all of the functions previously performed by the Annual Testing Commission and by the Competency Testing Commission and advise the State Board of Education on matters pertaining to the selection, development, and utilization of achievement tests designed to measure student achievement in the areas specified in the Basic Education Program.

"§ 115C-174.2. Membership of Commission.--(a) The Governor shall appoint the members of the Commission.

(b) The Commission shall be composed of 17 voting members, of whom five shall be classroom teachers currently employed to teach in grades 1, 2, 3, 6, and 8; four shall be currently employed high school teachers, one each from the areas of English, mathematics, social studies, and science; two shall be teachers of exceptional children, one of the educable mentally handicapped and the other of the learning disabled; one shall be a test psychometrician; one shall be a test coordinator; one shall be a principal; one shall be a superintendent; and two shall be professional educators from the faculties of institutions of higher education in the State.

(c) The Superintendent of Public Instruction, or his designee, shall serve as an ex officio, nonvoting member of the Commission on Testing.



(c) Competency Based Curriculum Testing. In order to provide achievement information and educational accountability as part of the Basic Education Program, the State Board of Education may acquire, in the most cost-efficient manner, achievement tests and test information to evaluate achievement in those grades and courses as specified in the Basic Education Program. Information from these tests may be used as one criterion by teachers and local school personnel in arriving at student grades and in making administrative decisions.

"§ 115C-174.12. Responsibilities of agencies.--(a) The State Board of Education shall review the recommendations of the Commission on Testing and select the tests that it believes will provide the best measures of the levels of academic achievement attained by students in various subject areas. The State Board of Education shall also establish policies and guidelines necessary for carrying out the provisions of this Article.

(b) The Superintendent of Public Instruction shall be responsible, under policies adopted by the State Board of Education, for the statewide administration of the testing program provided by this Article and for providing necessary staff services to the Commission.

(c) Local boards of education shall cooperate with the State Board of Education in implementing the provisions of this Article, including the regulations and policies established by the State Board of Education. Local school administrative units shall use the annual and competency testing programs to fulfill the purposes set out in this Article. Local school administrative units are encouraged to continue to develop local testing programs designed to diagnose student needs further.

"§ 115C-174.13. Public records exemption.--Any written material containing the identifiable scores of individual students on any test taken pursuant to the provisions of this Article is not a public record within the meaning of G.S. 132-1 and shall not be made public by any person, except as permitted under the provisions of the Family Educational and Privacy Rights Act of 1974, 20 U.S.C. 1232g.

"§ 115C-174.14. Provisions for nonpublic schools.--All components of the Statewide Testing Program shall be made available to nonpublic schools in the manner prescribed in G.S. 115C-551 and G.S. 115C-559."

(b) This section is effective upon ratification.

-----PRESCHOOL SCREENING/EVALUATIONS PILOT PROGRAMS

Sec. 75. The Department of Public Instruction shall assist, where necessary, a local school administrative unit in designing a preschool screening/evaluations pilot program. These programs shall primarily focus on a developmental evaluation during the kindergarten year to determine the appropriate developmental age and school placement for each child. They shall also include an early intervention phase to address the needs of children identified as developmentally immature or at risk.

Of the funds appropriated to the Department of Public Education in Section 2 of this act, the sum of two hundred eighty-seven thousand dollars (\$287,000) shall be used to establish preschool screening/evaluations pilot programs in 15



local school administrative units selected by the State Board of Education.

The Department of Public Education shall report on the pilot programs, before February 1, 1987, to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division.

-----DELAY CHANGE IN THE LAW REGARDING THE COST ALLOCATION OF PLACEMENT OF EXCEPTIONAL CHILDREN

Sec. 76. (a) Section 2 of Chapter 465 of the 1985 Session Laws is rewritten to read:



criterion by teachers and local school personnel in arriving at student grades and in making administrative decisions.

"§ 115C-174.12. *Responsibilities of agencies.*—(a) The State Board of Education shall review the recommendations of the Commission on Testing and select the tests that it believes will provide the best measures of the levels of academic achievement attained by students in various subject areas. The State Board of Education shall also establish policies and guidelines necessary for carrying out the provisions of this Article.

(b) The Superintendent of Public Instruction shall be responsible, under policies adopted by the State Board of Education, for the statewide administration of the testing program provided by this Article and for providing necessary staff services to the Commission.

(c) Local boards of education shall cooperate with the State Board of Education in implementing the provisions of this Article, including the regulations and policies established by the State Board of Education. Local school administrative units shall use the annual and competency testing programs to fulfill the purposes set out in this Article. Local school administrative units are encouraged to continue to develop local testing programs designed to diagnose student needs further.

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"§ 115C-174.14. *Provisions for nonpublic schools.*—All components of the Statewide Testing Program shall be made available to nonpublic schools in the manner prescribed in G.S. 115C-551 and G.S. 115C-559."

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#### — PRESCHOOL SCREENING/EVALUATIONS PILOT PROGRAMS

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The Department of Public Education shall report on the pilot programs, before February 1, 1987, to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division.

#### — DELAY CHANGE IN THE LAW REGARDING THE COST ALLOCATION OF PLACEMENT OF EXCEPTIONAL CHILDREN

**Sec. 76.** (a) Section 2 of Chapter 165 of the 1985 Session Laws is rewritten to read:

"Sec. 2. This act shall become effective July 1, 1987."



(b) This section shall become effective June 30, 1986.

—CONSOLIDATION OF STAFF DEVELOPMENT APPROPRIATIONS

Sec. 77. Funds appropriated in Section 2 of this act in line items 13510-1817-6689 - Computer Training for Certified Personnel, 13510-1817-6659 - Staff Development K-12, 13510-1817-6688 - Certified Personnel; and 13510-1817-6679 - Quality Assurance shall be combined. Twenty-five percent (25%) of these funds shall be allocated equally among the local school administrative units; seventy-five percent (75%) shall be allocated on the basis of average daily membership. These funds shall be used by local school administrative units according to staff development policies adopted by the State Board of Education.

—ALLOCATION OF FUNDS ON PRIOR YEAR OR PROJECTED ADM

Sec. 78. The last sentence of G.S. 115C-130 is amended by deleting the word "projected".

—CENTRAL PAYROLL FUNDS SHALL NOT REVERT

Sec. 79. (a) Funds unexpended and unencumbered for the Public Schools' Central Payroll System may not revert on June 30, 1986, but shall remain available for expenditure until June 30, 1987.

(b) This section shall become effective June 30, 1986.

PART IX.—HIGHER EDUCATION

—AREA COORDINATOR FUNDS TRANSFERRED

Sec. 80. Funds appropriated in Section 2 of this act to the Department of Community Colleges in the category of State aid - Area Coordinator (Line Item 6324) are transferred to the category of State Aid - Small Business (Line Item 6345).

—TUITION AND FEES

Sec. 81. (a) Effective July 1, 1986, the State Board of Community Colleges shall increase the regular tuition rate charged a full-time in-State student in curricular courses by fifteen dollars (\$15.00) per quarter. The State Board of Community Colleges shall also increase the fees for extension courses as follows:

- (1) Avocational extension courses - \$6.00 per course
- (2) Practical skills and other extension courses - \$5.00 per course

Effective July 1, 1987, the State Board of Community Colleges shall increase the regular tuition rate charged a full-time in-State student in curricular courses by an additional nine dollars (\$9.00) per quarter.

(b) Effective July 1, 1986, the State Board of Community Colleges shall increase the regular tuition rate charged a full-time out-of-State student in curricular courses to five hundred four dollars (\$501.00).

Effective July 1, 1987, the State Board of Community Colleges shall increase the regular tuition rate charged a full-time out-of-State student in curricular courses to seven hundred two dollars (\$702.00).

—COMPENSATORY EDUCATION FUNDS

Sec. 82. (a) Funds are appropriated in Section 2 of this act to the Department of Community Colleges for compensatory education programs in the amount of nine hundred seventy-five thousand dollars (\$975,000). Of these funds, the sum of seventy-five thousand dollars (\$75,000) shall be used by the Department of Community Colleges to develop community college instructional programs for mentally handicapped adults and the

sum of nine hundred thousand dollars (\$900,000) of these funds to local community colleges.

(b) This section may not be amended by the General Assembly to provide continuing or

—RESERVE FUND FOR COLLEGES

Sec. 83. Of the funds appropriated to the Department of Community Colleges in the amount of one thousand dollars (\$1,500,000) for the Department of Community Colleges for innovative programs, and a sum of funds due to its size. The Department of Community Colleges shall allocate these funds to the Department of Community Colleges after the convening of the 1987 General Assembly. The Senate Committee on Appropriations, the House Committee on Appropriations, the House Committee on Appropriations, and the House Research Division.

—COMMUNITY COLLEGE STATE AID

Sec. 84. Of the funds appropriated to the Department of Community Colleges in Section 2 of this act, the sum of forty-three thousand seven hundred dollars (\$43,700) shall continue the improvement of the Department of Community Colleges adjustment funds to increase current funds to three hundred dollars (\$300.00) each.

—COMMUNITY COLLEGES FUND

Sec. 85. Funds appropriated to the Department of Community Colleges in Section 2 of this act for the Department of Community Colleges institutions shall be allocated in accordance with a proposed administrative rule by the Department of Community Colleges at its April 10, 1986, board meeting.

—VOCATIONAL TEXTILE SCHOOL

Sec. 86. Of the funds appropriated to the Department of Community Colleges in the amount of one thousand six hundred twenty-nine dollars (\$1,629.00) for the North Carolina Vocational Textile School, the sum of one thousand six hundred twenty-nine dollars (\$1,629.00) shall be used for supplies, and materials.

—SOUTHWESTERN TECHNICAL COLLEGE FUNDS/PURPOSE MODIFIED

Sec. 87. (a) Section 32 of the General Statutes is amended by deleting the language "for the costs of construction" and substituting "for the costs of construction."

(b) The funds appropriated to the Department of Community Colleges in this Session Laws shall be transferred to the Department of Community Colleges to accomplish the purposes of this section.

—COMMUNITY COLLEGE TRUSTEES

Sec. 88. The General Assembly shall appropriate funds for the Department of Community College Trustees to develop a training course for community college trustees.



Sec. 135. Of the funds appropriated to the Department of Human Resources, Division of Youth Services, in Section 2 of Chapter 479 of the 1985 Session Laws for fiscal year 1986-87 for a new campsite for the Eckerd Wilderness Therapeutic Camp Program, the sum of eight hundred thirty-seven thousand one hundred forty-nine dollars (\$837,149) shall be used as follows:

(1) Four hundred thousand dollars (\$400,000) shall be used for operating expenses to maintain the current number of slots for campers in the Eckerd Wilderness Therapeutic Camp Program;

(2) Fifty thousand dollars (\$50,000) shall be used for a grant-in-aid to the Moore County Children's Center in Southern Pines, provided that the sum of two hundred thousand dollars (\$200,000) is raised by the Center to match the grant with non-State funds; and

(3) Three hundred eighty-seven thousand one hundred forty-nine dollars (\$387,149) shall be allocated to the Division of Mental Health, Mental Retardation, and Substance Abuse Services to be allocated proportionately as needed among existing group homes for emotionally disturbed children to meet the additional costs due to the Federal Fair Labor Standards Act.

-----MENTAL HEALTH SERVICES FOR CHILDREN

Sec. 136. Of the funds appropriated in Section 2 of this act to the Department of Human Resources, Division of Mental Health, Mental Retardation, and Substance Abuse Services, the sum of two hundred twelve thousand eight hundred fifty-one dollars (\$212,851) shall be used in the following manner:

(1) One hundred ten thousand dollars (\$110,000) to be used to continue operation of Haven House Boys #2 group home in Wake County; and

(2) The balance to be allocated proportionately as needed among existing group homes for emotionally disturbed children to meet the additional costs due to the Federal Fair Labor Standards Act.

-----WILLIE M. FUNDS REVERT

Sec. 137. (a) All funds appropriated for Willie M. class children for fiscal years prior to the 1986-87 fiscal year that are not expended or encumbered by June 30, 1986, shall revert to the General Fund.

(b) This section shall become effective June 30, 1986.

-----ACCESS, NORTH CAROLINA

Sec. 138. (a) The Department of Human Resources shall promote travel accessibility for disabled persons in this State. The funds provided from the "Personalized Registration Plate Fund" by G.S. 20-81.3(c)(3), to the account of the Department of Human Resources, do not revert but shall continue to be used to collect and update site information on travel attractions designated by the Department of Commerce in their publications. Both the Department of Human Resources and the Department of Commerce shall report their annual work plan and quarterly report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the status of their activities and accomplishments regarding the publication ACCESS, NORTH CAROLINA.

(b) This section shall become effective June 30, 1986.



✓ -----AUTISTIC CHILDREN'S SOCIETY FUNDS

Sec. 139. Of the funds appropriated to the Department of Human Resources in Section 2 of this act, the sum of sixty thousand dollars (\$60,000) shall be allocated to the North Carolina Society for Autistic Adults and Children for operating expenses for the Autistic Children's Camp; and the sum of eighteen thousand dollars (\$18,000) shall be used for assistance in staffing the high functioning autistic adult group home in Raleigh.

-----SENIOR CITIZENS CENTERS

Sec. 140. Section 105(a) of Chapter 479 of the 1985 Session Laws is amended in the language preceding subdivision (1) as follows: (i) by adding after the phrase "senior citizen centers," the phrase "and other Title III B services,"; and (ii) by adding after the word "allocated" the phrase "in each year of the biennium".

-----CANCER REGISTRY

Sec. 141. Of the funds appropriated to the Department of Human Resources, Division of Medical Assistance, up to one hundred twenty-five thousand dollars (\$125,000) may be transferred in fiscal year 1986-87 to the Division of Health Services for the State Cancer Registry Program to be disbursed after the program has been designed and after consultation with the North Carolina Hospital Association and reported to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division.

PART XI. ---NATURAL RESOURCES AND COMMUNITY DEVELOPMENT

-----USE COMMUNITY SERVICE WORKERS FOR STATE PARKS DEVELOPMENT/REPAIR

Sec. 142. The Department of Natural Resources and Community Development shall maximize the use of community service workers for development and repair of State parks. The Department shall submit its plan for doing so, before October 1, 1986, and shall report quarterly on the implementation of the plan, to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division.

-----COMMUNITY ACTION AGENCIES/ADMINISTRATIVE COSTS

Sec. 143. Funds are appropriated in Section 2 of this act to the Department of Natural Resources and Community Development for the administration of Community Service Block Grant Programs. Up to fifty percent (50%) of these funds may be used, at the discretion of each Community Action Agency board of directors, to defray the administrative expense of programs other than Community Service Block Grant Programs.

---JAMES K. POLK STATE OFFICE BUILDING

Sec. 144. Section 128 of Chapter 479 of the 1985 Session Laws is repealed.

-----REGIONAL OFFICE RENTS

Sec. 145. The funds appropriated to the Department of Natural Resources and Community Development in Section 2 of this act for increases in rent at regional offices operated and administered by the Department of Natural Resources and Community Development may be used only for that purpose. Any funds not needed for that purpose shall revert to the General Fund.

-----COASTAL AREA MANAGEMENT SPECIAL FUND REVERSION



Special education bills not enacted in 1986 session

HB 1761 Special Education Funding Formula

HB 1763 Preschool Special Education Funds

HB 1764 Govgernor's School Funds

SB 402 Local School Willie M. Funds



Short Title: Special Ed. Funding Formula.

(Public)

Sponsors: Representatives Nye, E. Warren, Greenwood; Fussell,\*

Referred to: Appropriations.

June 17, 1986

A BILL TO BE ENTITLED

AN ACT TO AMEND THE FUNDING FORMULA FOR EXCEPTIONAL CHILDREN.

The General Assembly of North Carolina enacts:

Section 1. Section 20 of Chapter 1034, 1983 Session Laws, Regular Session 1984, is amended by rewriting subsection (b) to read:

"(b) Beginning July 1, 1986, the State Board of Education shall allot funds in budget line item 'State Aid-Exceptional Children' on the basis of actual eligible June 1, 1986 headcounts of exceptional children, ages five through 20. The headcounts of handicapped exceptional children in each local administrative unit shall be the actual eligible counts, up to twelve and one-half percent (12.5%) of the highest three of the first four months' average daily membership for the prior year, 1985-86. The headcounts of academically gifted shall be weighted at a three-to-one ratio, not to exceed three and nine-tenths percent (3.9%) of the highest three of the first four months' average daily membership in 1985-86.

Funding on a per child basis shall be at least equal to the amount per child allotted by the State Board of Education during



GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 1985

HOUSE BILL 1763

Short Title: Preschool Special Ed. Funds.

(Public)

Sponsors: Representatives Nye, E. Warren, Greenwood; Hauser

Referred to: Appropriations.

June 17, 1986

A BILL TO BE ENTITLED

1  
2 AN ACT TO ESTABLISH PILOT PROGRAMS PROVIDING SPECIAL EDUCATION  
3 AND RELATED SERVICES TO PRESCHOOL HANDICAPPED CHILDREN AGES  
4 THREE AND FOUR.

5 The General Assembly of North Carolina enacts:

6 Section 1. There is appropriated from the General Fund  
7 to the Department of Public Education the sum of one million  
8 dollars (\$1,000,000) for fiscal year 1986-87 to establish three  
9 pilot programs in each of the eight educational regions, to  
10 provide training for staff working with preschool handicapped  
11 children ages three and four and to fund a one-year State  
12 position to provide leadership, technical assistance, and  
13 training to local school administrative units. The Department of  
14 Public Education shall report to the General Assembly prior to  
15 July 1, 1987, on the record of these pilot programs.

16 Sec. 2. This act shall become effective July 1, 1986.  
17  
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19  
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21



## SESSION 1985

HOUSE BILL 1764\*

Short Title: Governor's School Funds.

(Public)

Sponsors: Representatives Nye, E. Warren, Greenwood; Hauser,\*

Referred to: Appropriations.

June 17, 1986

1 A BILL TO BE ENTITLED

2 AN ACT TO PROVIDE OPERATIONAL FUNDS FOR THE GOVERNOR'S SCHOOLS.

3 Whereas, it is the intent of the General Assembly that  
4 the Governor's Schools have adequate funds to provide  
5 instructional and support services for academically gifted  
6 students to obtain the maximum benefit from their Governor's  
7 School experience; Now, therefore,

8 The General Assembly of North Carolina enacts:

9 Section 1. There is appropriated from the General Fund  
10 to the Department of Public Education the sum of one hundred  
11 twenty-seven thousand five hundred dollars (\$127,500) for fiscal  
12 year 1986-87, to provide funds for the continued operation of the  
13 Governor's Schools, including materials and supplies, books,  
14 contracted personal services, repairs and maintenance,  
15 transportation, and communication. Faculty of the Governor's  
16 Schools shall receive the same legislative salary increase or  
17 supplement received by public school teachers.

18 Sec. 2. These funds shall become part of the Department  
19 of Public Education's continuation budget.

20

21



## SESSION 1985

SENATE BILL 402

Short Title: Local School Willie M. Funds.

(Public)

Sponsors: Senator Walker.

Referred to: Appropriations.

April 23, 1985

## A BILL TO BE ENTITLED

1 AN ACT TO APPROPRIATE FUNDS FOR LOCAL SCHOOLS' WILLIE M.  
2 PROGRAMS..

3 The General Assembly of North Carolina enacts:

4 Section 1. There is appropriated from the General Fund  
5 to the State Board of Education, the sum of one million nine  
6 hundred fifty-six thousand six hundred fifty-four dollars  
7 (\$1,956,654) for fiscal year 1985-86, and the sum of one million  
8 nine hundred fifty-six thousand six hundred fifty-four dollars  
9 (\$1,956,654) for fiscal year 1986-87, to provide funds as  
10 follows: (1) to the Department of Public Instruction, Division  
11 for Exceptional Children, the sum of eighty-one thousand six  
12 hundred fifty-four dollars (\$81,654) each year of the biennium,  
13 for two positions and related costs; and (2) the sum of one  
14 million eight hundred seventy-five thousand dollars (\$1,875,000)  
15 each year of the biennium, for local schools for their Willie M.  
16 programs, to enable them to provide appropriate services..

17 Sec..2.. This act shall become effective July 1, 1985..  
18  
19  
20



Appendix C



	<u>LEA</u>	<u>AG Students</u>	<u>ADM</u>	<u>Percent</u>
751	TRYON CITY	73	615	11.87
232	SHELBY CITY	453	3868	11.71
681	CHAPEL HILL	590	5230	11.28
741	GREENVILLE CITY	543	5107	10.63
920	WAKE	5970	56730	10.52
600	MECKLENBURG	7677	74559	10.30
862	MT AIRY CITY	211	2100	10.05
700	PASQUOTANK	495	5369	9.22
990	YADKIN	477	5180	9.21
181	HICKORY CITY	428	4708	9.09
411	GREENSBORO CITY	2022	22990	8.80
841	ALBEMARLE CITY	178	2046	8.70
231	KINGS MOUNTAIN CITY	361	4341	8.32
520	JONES	150	1861	8.06
030	ALLEGHANY	141	1770	7.97
690	PAMLICO	171	2163	7.91
801	SALISBURY CITY	193	2524	7.65
010	ALAMANCE	835	11020	7.58
782	LUMBERTON CITY	333	4535	7.34
320	DURHAM COUNTY	1242	17106	7.26
550	LINCOLN	645	8887	7.26
450	HENDERSON	653	9095	7.18
930	WARREN	239	3341	7.15
500	JACKSON	292	4098	7.13
901	MONROE	228	3210	7.10
460	HERTFORD	318	4519	7.04
140	CALDWELL	948	13502	7.02
861	ELKIN CITY	74	1059	6.99
900	UNION	869	12611	6.89
492	STATESVILLE CITY	253	3685	6.87
430	HARNETT	813	11970	6.79
680	ORANGE	344	5112	6.73
291	LEXINGTON CITY	236	3542	6.66
310	DUPLIN	563	8588	6.56
451	HENDERSONVILLE CITY	105	1635	6.42
640	NASH	707	11062	6.39
410	GUILFORD	1537	24596	6.25
530	LEE	475	7610	6.24
440	HAYWOOD	530	8568	6.19
011	BURLINGTON CITY	454	7356	6.17
340	FORSYTH	2481	40451	6.13
290	DAVIDSON	1015	16591	6.12
560	MACON	225	3682	6.11
821	CLINTON	174	2882	6.04
132	KANNAPOLIS	297	4907	6.05
491	MOORESVILLE CITY	144	2406	5.99
412	HIGH POINT CITY	542	9102	5.95
720	PERQUIMANS	104	1752	5.94
071	WASHINGTON CITY	231	3922	5.89
292	THOMASVILLE CITY	160	2734	5.85
590	MCDOWELL	422	7283	5.79
400	GREENE	173	3046	5.68
200	CHEROKEE	226	3990	5.66
800	ROWAN	771	13801	5.59

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	<u>LEA</u>	<u>AG Students</u>	<u>ADM</u>	<u>Percent</u>
540	LENOIR	365	6574	5.55
360	GASTON	1858	33665	5.52
610	MITCHELL	143	2615	5.47
620	MONTGOMERY	240	4428	5.42
130	CABARRUS	698	12892	5.41
300	DAVIE	266	4921	5.41
120	BURKE	710	13139	5.40
940	WASHINGTON	167	3115	5.36
740	PITT	615	11579	5.31
950	WATAUGA	255	4800	5.31
850	STOKES	366	6946	5.27
241	WHITEVILLE CITY	147	2879	5.11
261	FAYETTEVILLE CITY	433	8730	4.96
280	DARE	121	2441	4.96
160	CARTERET	380	7688	4.94
995	YANCY	139	2833	4.91
331	TARBORO CITY	156	3202	4.87
370	GATES	81	1669	4.85
980	WILSON	628	13138	4.78
321	DURHAM CITY	434	9134	4.75
792	WESTERN ROCKINGHAM CIT	130	2781	4.67
180	CATAWBA	609	13215	4.61
270	CURRITUCK	115	2494	4.61
910	VANCE	362	7856	4.61
020	ALEXANDER	231	5037	4.59
490	IREDELL	472	10294	4.59
770	RICHMOND	428	9392	4.56
840	STANLY	312	6987	4.47
182	NEWTON-CONOVER	135	3025	4.46
570	MADISON	132	2959	4.46
150	CAMDEN	52	1193	4.36
380	GRAHAM	68	1561	4.36
220	CLAY	56	1287	4.35
470	HOKE	215	4958	4.34
960	WAYNE	595	13728	4.33
791	EDEN CITY	197	4556	4.32
890	TYRELL	34	791	4.30
480	HYDE	47	1097	4.28
100	BRUNSWICK	365	8633	4.23
110	BUNCOMBE	957	23030	4.16
260	CUMBERLAND	1544	37236	4.15
970	WILKES	471	11401	4.13
650	NEW HANOVER	828	20172	4.10
670	ONslow	658	16184	4.07
250	CRAVEN	569	14052	4.05
641	ROCKY MOUNT CITY	246	6196	3.97
781	FAIRMONT CITY	93	2363	3.94
421	ROANOKE RAPIDS CITY	106	2698	3.93
090	BLADEN	253	6512	3.89
190	CHATHAM	233	5989	3.89
870	SWAIN	68	1761	3.86
111	ASHEVILLE CITY	199	5201	3.83
760	RANDOLPH	520	13713	3.79
660	NORTHAMPTON	171	4549	3.76



	<u>LEA</u>	<u>AG Students</u>	<u>ADM</u>	<u>Percent</u>
390	GRANVILLE	254	6773	3.75
880	TRANSYLVANIA	161	4345	3.71
630	MOORE	334	9015	3.70
580	MARTIN	207	5645	3.67
050	ASHE	149	4104	3.63
040	ANSON	189	5257	3.60
750	POLK	60	1680	3.57
785	ST. PAULS CITY	57	1629	3.50
210	CHOWAN	87	2515	3.46
510	JOHNSTON	506	14821	3.41
080	BERTIE	152	4483	3.39
761	ASHEBORO CITY	129	3818	3.38
541	KINSTON CITY	165	5106	3.23
070	BEAUFORT	147	4575	3.21
330	EDGECOMBE	174	5714	3.05
350	FRANKLIN	135	4487	3.01
793	REIDSVILLE CITY	124	4115	3.01
730	PERSON	167	5582	2.99
060	AVERY	90	3062	2.94
830	SCOTLAND	230	7874	2.92
790	ROCKINGHAM	138	4904	2.81
784	RED SPRINGS CITY	52	1888	2.75
962	GOLDSBORO CITY	142	5163	2.75
810	RUTHERFORD	284	10719	2.65
351	FRANKLINTON CITY	32	1324	2.42
860	SURRY	206	8514	2.42
170	CASWELL	99	4113	2.41
710	PENDER	105	4793	2.19
820	SAMPSON	153	7198	2.13
420	HALIFAX	136	7291	1.87
240	COLUMBUS	152	8374	1.82
230	CLEVELAND	163	9003	1.81
780	ROBESON	214	14880	1.44
422	WELDON CITY	0	1407	

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Controller's Office, Division of Teacher Allotment and Student  
Accounting, December 1, 1984



Appendix D



## Definition and Identification of Academically Gifted Students

Division for Exceptional Children  
State Department of Public Instruction  
Raleigh, North Carolina 27603-1712

January 1, 1985

### Definition

Academically gifted students are defined as those who demonstrate or have the potential to demonstrate outstanding intellectual aptitude and specific academic ability. In order to develop their abilities, these students may require differentiated educational services beyond those ordinarily provided by the regular school program.

Rules, .1501, (a), (2)

### Special Identification Procedures

To determine a student's eligibility for the academically gifted program, two steps are required: screening and evaluation.

### Screening

Local education agencies shall develop a local screening procedure in order to establish a pool of students who are possibly qualified for and in need of differentiated instruction. Initial screening of the pool will determine students for whom formal referrals will be made. Suggested screening procedures may include checklists/behavioral scales of characteristics of the gifted; scores obtained on system-wide standardized tests of intelligence and/or achievement; teacher/parent/peer/self nomination; scores obtained on screening instruments; and a listing of students from high, middle, and low income levels who have demonstrated outstanding ability in the classroom, school or community.

Rules, .1509, (1) (a)

Requiring the development of a local screening procedure will help ensure system-wide consistency and effectiveness in seeking out those students who are possibly qualified for the academically gifted program. The screening procedure can be tailored to the particular characteristics of the overall school population and/or specific grade levels (e.g., primary, elementary, secondary). Sufficient data should be gathered to justify the need for referral, to document non-discriminatory screening, and to substantiate the professional judgement that a referral is not needed at this time.



Screening procedures may include but are not limited to:

- . checklists/behavioral scales of characteristics of the gifted such as the Renzulli-Hartman Scale, the Weiss-Guilford Teacher Rating Scale, the Charlotte-Mecklenburg Checklist, or the Buncombe Behavioral Characteristics Scale;
- . composite or subtest percentile scores obtained on system-wide or statewide tests or intelligence and/or achievement;
- . teacher, parent, peer and/or achievement;
- . percentile scores obtained on other standardized screening instruments such as the PIAT, WRAT, Slosson, or Peabody Picture Vocabulary Test;
- . a listing of students who demonstrate outstanding ability in the classroom, school, or community such as leadership, motivation, task commitment.

### Evaluation

Identification shall be based on an assessment of intelligence or aptitude test scores, standardized achievement test scores and student performance based on grades, demonstrated skills or products. Students earning 98 or more points on IQ/aptitude and achievement percentiles or on IQ/aptitude and achievement percentiles plus scholastic performance are eligible to be considered by the School-based and Administrative Placement Committees for the academically gifted program.

Rules, .1509, (1), (b)

Standardized IQ/aptitude and achievement test score percentiles are the focus of identification and carry an equal weight of 50 points each. When student performance is also used, it carries a maximum weight of 10 points.

- (i) IQ/Aptitude (50 point maximum): individual or group tests may be used. A list of recommended tests is available in the Division for Exceptional Children. Scores are to be converted to percentiles, and each percentile has a point value.
- (ii) Achievement (50 point maximum): composite or total reading/total math subtests may be used. Scores are to be converted to percentiles, and each percentile has a point value.
- (iii) Scholastic Performance (10 point maximum): for students earning fewer than 98 points on IQ/aptitude and achievement test scores, scholastic performance shall be considered. A maximum of 10 points shall be added to points earned on IQ/aptitude and achievement based on the accompanying scale for overall academic average, specific subject area grades or documentation of outstanding skills or abilities (e.g., writing portfolios, science projects, etc.).



(iv)

<u>Points</u>					
<u>Percentile</u>	<u>IQ</u>	<u>Achievement</u>	<u>Grades</u>	<u>Points</u>	
99	50	50	A	10	
98	49	49	A-/B+	9	
97	48	48	B	8	
96	47	47	B-/C+	7	
95	46	46	C	6	
94	45	45			
93	44	44			
92	43	43			
91	42	42			
90	41	41			
89	40	40			
88	39	39			
87	38	38			
86	37	37			
85	36	36			

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 etc.

Rules., .1509, (c)

Percentile scores on IQ or aptitude tests may be used interchangeably depending on local policy and will provide some measure of student potential and knowledge. By equalizing the weight given to IQ/aptitude and achievement and by giving each percentile a point value, the identification emphasis is on standardized test results rather than subjective measures such as grades. When performance data are included in determining student eligibility, the local education agency shall convert its grading scale to the scale included in these procedures.

To ensure consistency in identification practices, the local education agency should specify:

- . which tests are to be used;
- . whether composite or subtest percentile scores are to be used;
- . which subtest percentile scores are to be used (e.g., SAT-Math; California Achievement Test Composite Score; CAT Total Reading Subtest);
- . whether the overall academic average or a special subject area grade is to be used for student performance;
- . the conditions under which demonstrated skills or products may be substituted for student performance/grades and the method of awarding a point value to this skill or product.

#### Special Consideration/Further Testing

Standardized assessment instruments do not always adequately control for the lack of environmental or cultural opportunities to learn or for the presence of physical, emotional, or learning handicaps. If the presence of these factors or discrepancies between test scores and classroom performance are judged to have affected the reliability of identification



data, further standardized testing shall be completed and the scores used in determining eligibility.

Rules, .1509, (d)

Providing specific examples of conditions which merit further testing-- usually individualized testing--will encourage local education agencies to be alert for potential in culturally disadvantaged, minority, underachieving and handicapped students.

### Reevaluation

Appropriate in-depth reevaluations of exceptional children must be completed at least every three years in order to determine the appropriateness of current educational status of students and to determine whether or not a student continues in or exits from a special education program. The date by which reevaluations must occur is determined by the date placement was made. Although each test does not have to be administered exactly three years from the date it was previously given, all tests must be completed prior to the time the committee reviews the placement decision. That review must be within three years of the time the last placement decision was made. The reevaluations shall include the types of screening and evaluations in Section .1510 required prior to the initial placement. Parent approval is not required prior to the reevaluation. The parent(s) must be notified in writing that the child is being reevaluated and the notice must meet the requirements of Section .1517. If the parent objects, the due process procedures set forth in .1517 of this Section may be followed. If a child's performance/behavior warrants reevaluation before the three year period has expired, a referral for reevaluation should be made. Students who upon reevaluation no longer qualify for placement in a special education program are not to remain in the program beyond the present grading period.

Rules, .1511

Annual review and reevaluation should also examine service appropriateness and student performance, especially if student performance is not satisfactory but standardized test scores remain in upper percentile levels. The local education agency is encouraged to utilize a variety of service options that best match the student's ability. For example, a student who is gifted in math will be better served in an advanced math program/class than in a "gifted" English class. Every effort should be made to match the student's area(s) of ability with appropriate service options.

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### Attachments

- . Identification Matrix
- . Recommended Tests/Instruments



Appendix E



Legislative Proposal: 1

A BILL TO BE ENTITLED  
AN ACT TO PROVIDE APPROPRIATE TEXTBOOKS FOR HANDICAPPED CHILDREN

The General Assembly of North Carolina Enacts:

Section 1. It is the intent of the General Assembly that handicapped children have appropriate textbooks. To this end, the State Board of Education is urged to continue to include basic textbook selections for each subject in each grade for handicapped children in the regular textbook adoption process.

Sec. 2. From funds appropriated to it the State Board of Education shall allocate textbook funds to local school administrative units for consumable and non-consumable textbooks for handicapped children in grades one through twelve in self contained classes at the same rate as is allocated for non-handicapped children. This allocation shall be used solely for the purchase of consumable and non-consumable textbooks for handicapped children. Furthermore, this set-aside allocation shall allow for the purchase of consumable and non-consumable textbooks that are not on the state adopted textbooks list if the local school administrative unit determines that the textbooks on the state adopted textbooks list are not appropriate to meet the needs of the handicapped children.

Sec. 3. This act shall become effective July 1, 1987.



Legislative Proposal: 2

A BILL TO BE ENTITLED  
AN ACT TO PROVIDE BRAILLE, LARGE PRINT, AND AUDIO CASSETTE  
TEXTBOOKS FOR HANDICAPPED CHILDREN

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the State Board of Education the sum of three hundred fifty thousand dolalrs (\$350,000) for fiscal year 1987-88 to purchase modified textbooks such as braille, large print, and audio cassette textbooks for handicapped children whose Individualized Education Programs state that such modified textbooks are necessary to meet their unique learning needs. The State Board of Education shall adopt rules for administering these funds. Funds for modified textbooks for handicapped children shall become part of the continuation budget of the Department of Public Education.

Sec. 2. Local school administrative units shall report to the State Board of Education those modified textbooks funded by the State that are not being used by handicapped children. The State Board of Education may recall the modified textbooks when they are no longer used by the handicapped children in any given local school adminsitratve unit, and may make them available for redistribution to other local school administrative units whose handicapped children still require them.



Legislative Proposal: 3

A BILL TO BE ENTITLED  
AN ACT TO PROVIDE OPERATIONAL FUNDS FOR THE GOVERNOR'S SCHOOLS

The General Assembly of North Carolina enacts:

Section 1. It is the intent of the General Assembly that the Governor's Schools have adequate funds to provide instructional and support services necessary for academically gifted students to obtain the maximum benefit from their Governor's School experience. There is appropriated from the General Fund to the Department of Public Instruction the sum of one hundred thousand dollars (\$100,000) for fiscal year 1987-88, for to be used to provide for the continued operation of the Governor's Schools including, but not limited to, materials and supplies, books, contracted personal service repairs and maintenance transportation and communication.

Sec. 2. This appropriation shall become part of the continuation budget of the Department of Public Instruction.

Sec. 3. This act shall become effective July 1, 1987.



Legislative Proposal: 4

A BILL TO BE ENTITLED  
AN ACT TO APPROPRIATE FUNDS FOR LOCAL SCHOOLS' WILLIE M.  
PROGRAMS

The General Assembly of North Carolina enacts:

Section 1. It is the intent of the General Assembly that Willie M. Class Members be provided appropriate education and related services. To this end, there is appropriated from the General Fund to the State Board of Education, the sum of two million nine hundred thousand dollars (\$2,900,000.00), for fiscal year 1987-88 to provide funds as follows: (1) To tabulate the base rate from \$2,127.00 to \$4,000.00 per child as needed by local school administrative units to provide appropriate services. \$1,800,000.00; (2) \$200,000.00 provide dollars to be allocated to units on a case by case basis for difficult to serve, high cost class members. (3) \$350,000.00 provide school administrative units. (4) \$510,000.00 provide funds for local supervisors. (5) \$40,000.00 provide funds for training of local and state personnel.

Sec. 2. This act shall become effective July 1, 1987.



Legislative Proposal: 5

A BILL TO BE ENTITLED  
AN ACT TO ALLOW LOCAL BOARDS OF EDUCATION  
TO PURCHASE BUSES AND MINIBUSES FOR THE  
TRANSPORTATION OF CHILDREN WITH SPECIAL NEEDS

The General Assembly of North Carolina enacts:

Section 1. G.S. 115C-250(a) is amended in the first paragraph by adding two new sentences to read: "At the option of the local board of education with the concurrence of the State Board of Education, funds appropriated to the State Board of Education for contract transportation of exceptional children may be used to purchase buses and minibuses as well as for the purposes authorized in the budget. The State Board of Education shall adopt rules and regulations concerning the construction and equipment of these buses and minibuses."

Sec. 2. This act shall become effective July 1, 1987.



Legislative Proposal: 6

A BILL TO BE ENTITLED  
AN ACT TO AMEND THE SPECIAL EDUCATION HEARINGS PROCESS

The General Assembly of North Carolina enacts:

Section 1. G.S. 115C-116(b) rewritten to read:

"(b) Notice. -- The local educational agency shall give prompt written notice by personal conference or by registered or certified mail, return receipt requested, to the parent or guardian of a child placed or denied placement in a program. The notice shall inform the parent or guardian of his right to a review of the placement determination and of the procedure for obtaining this review. Among other information, the notice shall state that a hearing may be had upon written request, no more than 30 days from the date on which the notice was received. Except as otherwise provided in this part, the hearing will be conducted in accordance with the provisions of Article 3 of Chapter 150B of the General Statutes and will be conducted by an administrative law judge in the office of Administrative Hearings. The administrative law judge will make the final decision. The administrative law judge shall have, in addition to the powers enumerated in G.S. 150B-33, the power to order, if appropriate, an award of reimbursement to parents. The administrative law judge shall prepare his decision and notify the parties in accordance with the provisions of G.S. 150B-36. Appeal from this decision is made pursuant to Article 4 of Chapter 150B of the General Statutes.

Except for the salary of the administrative law judge, all costs of administrative hearings shall be paid by the local educational agency. All such costs taxed in the judicial review of an administrative hearing shall be paid by the State Board of Education.

Sec. 1. G.S. 15C-116(b1) is repealed.

Sec. 3. This act is effective upon ratification.

